

## At A Glance: Section 232 Tariffs & Retaliations

Section 232 of the Trade Expansion Act of 1962 allows the president to block or restrict imports to protect U.S. national security interests, including economic security.

- In March 2018, President Trump exercised his authority under 232 by imposing a 10% worldwide tariff on aluminum and 25% on steel.
- On June 1, 2018, President Trump imposed these steel and aluminum tariffs on Mexico, Canada and the European Union after these three trading partners were unable to reach a deal for a permanent exemption.
- **Retaliation:** Key trading partners have responded to tariffs by implementing counter tariffs on many U.S. products including ALL boats.
  - 69% of total U.S. boat exports are destined for Canadian, European or Mexican markets making the impact of retaliation extremely significant.
- **Marine Industry Impact:**
  - Increase costs of raw materials. Since the proposal was announced in March, worldwide aluminum prices have increased nearly 20%. Aluminum is used to manufacture pontoon boats, aluminum fishing boats, fuel tanks, boat lifts, boat trailers, and a myriad of component parts.
  - Retaliatory tariffs on ALL U.S. made boats will increase costs for consumers and make U.S. boat manufacturers who export to Canada, the EU and Mexico far less globally competitive.
  - History illustrates that the marine industry does not fare well with burdensome taxes on boats. In the 1990's a 10% tax on boats nearly sunk the industry, resulting in numerous boat manufacturers going out of business and nearly 25,000 American workers losing their jobs.

### Canada



**Represents \$562 million or 37% of U.S. boat exports**

**Retaliation effective July 1, 2018, 10% Tariff on:**

- Sailboats, with or without auxiliary motor
- Motor boats, other than outboard motorboats
- Outboard motor boats, other vessels for pleasure or sports
- Inflatable boats

### Mexico



**Represents \$147.4 million or 10% of U.S. boat exports**

**Retaliation effective immediately, 15% tariff on:**

- Motor boats, except for outboard motor

### European Union



**Represents \$338.5 million or 22% of U.S. Boat Exports**

**Retaliation effective as early as June 20, 2018, 25% tariff on:**

- Sailboats and yachts, with or without auxiliary motor, for pleasure or sports
- Sea-going motor boats and motor yachts, for pleasure or sports (other than outboard motor boats)
- Motor boats for pleasure or sports, of a length  $\leq 7,5$  m (other than outboard motor boats)
- Motor boats for pleasure or sports, of a length  $> 7,5$  m (other than outboard motor boats and excl. seagoing motor boats)